

HOUSE BILL REPORT

SSB 6851

As Passed House - Amended:

March 1, 2006

Title: An act relating to closure of mobile home parks and manufactured housing communities.

Brief Description: Revising provisions concerning closure of mobile home parks and manufactured housing communities.

Sponsors: By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Prentice and Fairley).

Brief History:

Committee Activity:

Housing: 2/21/06 [DPA].

Floor Activity:

Passed House - Amended: 3/1/06, 93-3.

Brief Summary of Substitute Bill (As Amended by House)

- Requires owners of mobile home parks and manufactured housing communities to include a list of park tenants in notices of park conversion or closure given to the Department of Community, Trade and Economic Development.
- Requires written leases to include a specific statement in bold above the signature line regarding the possibility of the future sale and closure of a park in the absence of a lease covenant that a park will not be converted or sold within three years of the start of a lease.
- Requires the DCTED to advise park owners of the requirements of this act by July 1, 2006.

HOUSE COMMITTEE ON HOUSING

Majority Report: Do pass as amended. Signed by 7 members: Representatives Miloscia, Chair; Springer, Vice Chair; Dunn, Assistant Ranking Minority Member; McCune, Ormsby, Schindler and Sells.

Staff: Robyn Dupuis (786-7166).

Background:

Under the existing Manufactured/Mobile Home Landlord Tenant Act, park owners are required to give at least 12 months written notice of a park closure or conversion to the Department of Community, Trade and Economic Development (DCTED) and all tenants. All tenants entering a month-to-month rental agreement, signed after the park closure notice date, must also be given notice. The notice provided to the DCTED must include: (1) a good faith estimate of the timeline for removal of the mobile homes; and (2) the reason for the closure. This notice is required to be recorded with the county auditor.

Written rental agreements for mobile home parks are required to contain a covenant providing that, except for acts beyond the landlord's control, the park will not be converted to a use that does not allow the continued use of the mobile home for a period of at least three years from the beginning date of the rental agreement. Alternatively, in place of such a covenant, the rental agreement may instead include a statement which provides that the park may be sold or otherwise transferred at any time, resulting in a park closure. This statement must be visually set-off from the other text (e.g. in a box or separated by a blank space).

Mobile Home Relocation Assistance Program

The DCTED Mobile Home Relocation Assistance Program provides financial reimbursement for actual costs of allowed expenses to qualified low-income families displaced due to mobile home park closure. Reimbursement is limited to \$7,500 for a single-wide home and \$12,000 for a double-wide home. Revenue for the program is derived from a \$100 fee paid by the purchaser when a manufactured home is bought in a manufactured housing community or mobile home park. The DCTED expects to serve 450 households through this program during the 2005-2007 biennium, an increase from the 102 households served during the 2003-2005 biennium.

Summary of Amended Bill:

Notice to the DCTED

In addition to a timeline for closure and a reason for closure, the notice that park owners are required to send to the DCTED must include a list of the names and mailing addresses of the current registered park tenants. This notice must be sent by the landlord to the DCTED within 10 business days of the date tenants receive notice of park closure. After receiving the landlord's notice, the DCTED is required to send every tenant an application and information on relocation assistance within 10 business days.

Notice to Tenants

If a rental agreement does not contain the covenant assuring mobile home tenants that the park will not be converted to a different use for at least three years, then a rental agreement must include the following statement verbatim: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required notice." This statement must be in bold and located directly above the tenant's signature on the rental agreement. For rental

agreements in effect on the effective date of this act, the required change in rental agreement contract language takes effect when such agreements are renewed.

Notice to Park Owners and Landlords

The DCTED is required to make efforts to notify mobile and manufactured home park owners and landlords of the changes in closure notification requirements and the required language change for space rental agreements.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.